

QTL Worksheet for the Month of _____

	Line	Amount (in thousands)
PORTFOLIO ASSETS		
Total Assets	1	
20% of Total Assets (<i>Line 1 X .20</i>)	2	
Office Building	3	
Liquidity (cash and marketable securities)	4	
Goodwill and Other Intangibles	5	
Deductions from Total Assets (<i>Sum of Lines 3, 4, and 5</i>)	6	
PORTFOLIO ASSETS (<i>Lines 1 Minus Line 6</i>)	7	
20% OF PORTFOLIO ASSETS (<i>Line 7 X .20</i>)	8	
QUALIFIED THRIFT INVESTMENTS (QTI)		
ASSETS INCLUDABLE WITHOUT LIMIT		
Mortgage Loans	9	
Real Estate Owned (Residential)	10	
Home Equity Loans	11	
Mortgage-Backed Securities	12	
Educational Loans	13	
Small Business Loans	14	
Credit Card Loans	15	
Obligations of Deposit Insurance Agencies (Prior to 7/1/89)	16	
Obligations of Deposit Insurance Agencies (On or After 7/1/89)	17	
Federal Home Loan Bank Stock	18	
TOTAL QTI INCLUDABLE WITHOUT LIMIT (<i>Sum of Lines 9 through 18</i>)	19	
ASSETS INCLUDABLE UP TO 20% OF PORTFOLIO ASSETS		
50% Of Residential Mortgage Loans Originated and Sold Within 90 Days	20	
80% Service Corporations	21	
200% of 1-4 Family Residence Loans (Starter Homes <60% Median)	22	
200% of Certain Loans in Credit-Needy Areas	23	
Community Service Facility Loans (Purchase, Construction, Improvement)	24	
Loans for Personal, Family, or Household Purposes	25	
FNMA or FHLMC Stock	26	
FOR PUERTO RICAN AND VIRGIN ISLAND INSTITUTIONS ONLY		
Loans for Personal Family or Household Purposes	27	
Community Service Facility Loans (Purchase, Construction, Improvement)	28	
200% of 1-4 Family Residence Loans (Starter Homes <Median)	29	
Total QTI Includable Up to 20% of Portfolio Assets (<i>The Lesser of the Sum of Lines 20-26 or Line 8</i>)	30	
TOTAL QUALIFIED THRIFT INVESTMENTS (<i>Sum of Lines 19 and 30</i>)	31	
ACTUAL THRIFT INVESTMENT PERCENTAGE (<i>Line 31 Divided by Line 7</i>)	32	%

OTS Form 1427

Instructions for QTL Worksheet

To calculate the actual thrift investment percentage (ATIP), follow the instructions below and refer to the QTL worksheet. Each institution that elects to comply with the QTL test must perform these calculations on a monthly basis.

Part 1 – Portfolio Assets

Line 1 – Total Assets

Enter total assets. Consolidate a subsidiary if the association counts as a qualified thrift investment any of the subsidiary's assets, or mortgages originated and sold within 90 days of origination. Also, if the institution counts its investment in an 80% mortgage-related revenue subsidiary as qualified thrift investment on Line 21, it must include that investment in total assets.

Line 2 – 20% of Total Assets

Multiply Line 1 by 0.20.

Line 3 – Office Building

Enter the depreciated carrying value of the property, furniture, fixtures, and equipment that the institution uses to conduct its business.

Line 4 – Liquidity

Enter the lesser of the institution's liquid assets (cash and marketable securities) or the amount on Line 2. Do not include as liquidity any securities entered on Line 12.

Line 5 – Goodwill and Other Intangibles

Enter the current unamortized balance of goodwill and other intangibles (including mortgage loan servicing rights).¹

Line 6 – Deductions from Total Assets

Enter the sum of Lines 3, 4, and 5.

¹ While OTS does not consider servicing assets intangibles for regulatory capital purposes, our policy is to deduct mortgage servicing assets for QTL.

Line 7 – Portfolio Assets

Subtract Line 6 from Line 1.

Line 8 – 20% of Portfolio Assets

Multiply Line 7 by 0.20.

Part 2 – Qualified Thrift Investments

Note: For all calculations use the outstanding principal balance and add accrued interest and premiums; deduct specific valuation allowances, charge-offs, deferred loan fees, loans in process and unearned discounts.

A. Assets Includable Without Limit

Line 9 – Mortgage Loans

Enter loans held that were made to purchase, refinance, construct, improve, or repair domestic residential housing or manufactured housing. *Note:* The term “domestic” refers to units within the 50 states, the District of Columbia, Puerto Rico, the Virgin Islands, Guam, and the Pacific Islands.

Line 10 – REO (Residential)

Enter property acquired through foreclosure, deed in lieu of foreclosure, or in-substance foreclosure that if it had remained as a loan would have been a qualified thrift investment reported on Lines 9, 11, or 14. Include real estate in judgment.

Line 11 – Home Equity Loans

Enter home equity loans. *Note:* Include here any consumer receivables secured in part by lien on domestic residential housing. If entered here do not include on Line 25.

Line 12 – Mortgage-Backed Securities

Enter securities backed by or representing an interest in domestic residential housing or manufactured housing. Institutions should include securities purchased and exclude securities sold from qualified thrift investments on their trade dates. *Note:* This item encompasses mortgage-

pool securities, mortgage-pool pass-through securities, mortgage-backed bonds, and mortgage-backed pay-through bonds. This item also encompasses any derivative mortgage-related security created by disaggregating and repackaging the cash flows received as payments on mortgages and traditional mortgage-pool securities. The underlying assets of such securities must be domestic residential housing. Bonds, including FHLB, FHLMC, FNMA and GNMA bonds, count only if they are backed by mortgages. Do not include as a qualified thrift investment Resolution Funding Corporation (REFCO) bonds.

Line 13 – Educational Loans

Enter education loans.

Line 14 – Small Business Loans

Enter small business loans. Generally, small business loans are \$2 million or less at origination. See the definition in 12 CFR § 560.3.

Line 15 – Credit Card Loans

Enter loans made in conjunction with the issuance or extension of credit through a credit card. This includes loans made to consolidate credit card debt (including credit card debt that other lenders previously held), participation certificates, securities and similar instruments secured by credit card receivables.

Line 16 – Obligations of Deposit Insurance Agencies Issued Prior to July 1, 1989

Enter obligations of the FDIC or FSLIC issued before July 1, 1989, for a period not to exceed ten years past the issue date.

Line 17 – Obligations of Deposit Insurance Agencies Issued On or After July 1, 1989

Enter obligations of the FDIC, the FSLIC, the FSLIC Resolution Fund, or the RTC issued on or after July 1, 1989, for a period not to exceed five years past the issue date.

Line 18 – Federal Home Loan Bank Stock

Enter Federal Home Loan Bank stock.

Line 19 – Total Qualified Thrift Investments Includable Without Limit

Enter the sum of Lines 9 through 18.

B. Assets Includable up to 20% of Portfolio Assets

Line 20 – 50% of Residential Mortgage Loans Originated and Sold Within 90 Days

Enter 50% of loans on domestic residential housing that the association originated and sold within 90 days of origination, provided that the association sold these mortgage loans during the quarter for which this calculation is being made. Associations may use either the previous quarter's figures or a rolling 90-day period.

Line 21 – 80% Service Corporations

Enter the investment (capital stock, loans, advances, and securities) in service corporations that derive 80% of their gross revenues from dealing in domestic residential housing or manufactured housing. *Note:* Institutions that consolidate such subsidiaries in Line 1 (Total Assets) and count any service corporation assets as qualified thrift investments may not report the institution's investment on this line.

Line 22 – 200% of One- to Four-Family Residence Loans (Starter Homes Less than 60% Median)

Enter 200% of loans and investments in domestic residential housing (if not entered on Line 9), the price of which is, or is guaranteed to be, less than 60% of the median price of comparable housing in the community where the housing is located. *Note:* To use this line item, institutions must maintain records demonstrating that the housing meets the 60% of median value test. See definition of starter home loans.

Line 23 – 200% of Certain Loans In Credit-Needy Areas

Enter 200% of loans on domestic residential housing, community service facilities, and to small businesses in credit-needy areas. Do not include any small business loans here if entered on Line 14.

Line 24 – Community Service Facility Loans (Purchase, Construction, Improvement)

Enter loans for community service facilities except those included on Line 23.

Line 25 – Loans for Personal, Family, or Household Purposes

Enter personal, family, household, or share loans, except those included on Lines 11, 13 and 15.

Line 26 – Stock of the FNMA or the FHLMC

Enter FNMA and FHLMC stock that the institution holds.

Puerto Rican and Virgin Island Institutions Only – All Other Thrifts Go to Line 30.

Note: For Lines 27 and 29, the amounts that Puerto Rican thrifts enter may only be for investments in Puerto Rico. Similarly, the amounts that Virgin Islands thrifts enter may only be for investments in the Virgin Islands.

Line 27 – Loan for Personal, Family or Household Purposes

Enter personal, family, household, or share loans made to persons residing or domiciled in Puerto Rico or the Virgin Islands. Do not include loans entered on Lines 11 or 25.

Line 28 – Community Service Facility Loans (Purchases, Construction, Improvement)

Enter loans for community service facilities and loans to small businesses in Puerto Rico or the Virgin Islands, except those included on Lines 23 and 24.

Line 29 – 200% of One- to Four-Family Residence Loans (Starter Homes Less than Median)

Enter 200% of loans and investments in domestic residential housing in Puerto Rico and the Virgin Islands, the price of which is, or is guaranteed to be, less than the median price of comparable housing in the community where the housing is located. Do not include loans entered on Line 22. *Note:* To use this line item, institutions must maintain records demonstrating that the housing meets the median value test.

Line 30 – Total Qualified Thrift Investments Includable Up to 20% of Portfolio Assets

Enter the lesser of the sum of Lines 20 through 26 or Line 8.

Part 3 – Total Qualified Thrift Investments and Actual Thrift Investment Percentage

Line 31 – Total Qualified Thrift Investments

Enter the sum of Lines 19 and 30. This is a savings association's total qualified thrift investment figure. If you are a Puerto Rican or Virgin Island savings association, also add Lines 27 through 29.

Line 32 – Actual Thrift Investment Percentage (ATIP)

Divide Line 31 by Line 7.